

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 357 - HB 844

February 21, 2019

SUMMARY OF ORIGINAL BILL: Deletes regulatory language regarding “industrial hemp” and replaces it with regulatory language around the term “hemp”, with the regulatory authority remaining with the Department of Agriculture (DOA).

Establishes an administrative framework for the regulations on hemp similar to the current regulations of industrial hemp growing and production. Requires the Commissioner of Agriculture to submit a plan to the federal government for Tennessee to have primary regulatory authority over hemp production in this state as authorized by the federal Agricultural Improvement Act of 2018.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004531): Deletes and replaces all language after the enacting clause such that the only substantive changes are: requiring the Commissioner of DOA to promulgate certain rules relative to applicant requirements for obtaining a growing license and for administering the program; creating a Class A misdemeanor for any persons in violation of the provisions of this legislation; and changing the effective date to upon this act becoming a law.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Within 120 days, the Commissioner of the DOA shall promulgate rules consistent with requirements of the Agriculture Improvement Act of 2018 (Public Law 115-334) for state regulation of hemp. The Commissioner is authorized to use emergency rulemaking under Tenn. Code Ann. § 4-5-208 to promulgate the rules pursuant to subsection (c) of the proposed legislation.

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- Under current law, the plant Cannabis Sativa L. and any part of that plant with delta-9 tetrahydrocannabinol (THC) concentration more than three-tenths of one percent (0.3%) on a dry weight basis is classified as “industrial hemp”. Under the proposed legislation, this term would be replaced with “hemp”.
- All current regulations regarding the regulation of industrial hemp are considered null and void under the proposed legislation.
- Given that many of the proposed rules and regulations in this legislation are currently being performed by the DOA, and given that any impacts resulting from other sections of the legislation can be absorbed by the DOA, it is assumed that this proposed legislation will not have a significant fiscal impact on the State of Tennessee, the DOA, the federal entities reviewing the Commissioner’s proposals, or the state and local tax revenue.
- This legislation creates a new Class A misdemeanor offense for any violation of the act.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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